



Summary of the June 16, 2006 Meeting of the Board of Directors of the Millennium Challenge Corporation, a U.S. Government Corporation

The following is a summary of the June 16, 2006 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:15 a.m. at the U.S. Department of State, Washington, D.C.

1. The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:

- Condoleezza Rice, Secretary of State (Chair)
- Robert Kimmitt, Deputy Secretary of the Treasury
(Representing John W. Snow (Vice Chair), Secretary of Treasury)
- Randall Tobias, Administrator, USAID
- John J. Danilovich, Chief Executive Officer, MCC
- Karan Bhatia, Deputy U.S. Trade Representative
(Representing Susan Schwab, U.S. Trade Representative)
- Kenneth F. Hackett

OTHER PARTICIPANTS (at all or a portion of the meeting): Faryar Shirzard (NSC); Abby Demopoulous (NSC); Josette Shiner (State); Clay Lowery (Treasury); Mary Ryckman (USTR); Peter Delp (USAID); Jon Dyck (MCC); Jamieson Davies (with Mr. Hackett); Thomas Gibson (for Governor Whitman); Rodney Bent (MCC); Matthew McLean (MCC); John Hewko (MCC); Frances McNaught (MCC); Michael Ryan (MCC); W. Geoff Anderson (MCC); Deandra Beck (MCC); Jonathan Bloom (MCC); Bunyan Bryant (MCC); Tom Campbell; (MCC); Barry Deren (MCC); Catherine Cauthen (MCC); Maureen Harrington (MCC); Sam Kwon (MCC); Joyce Lanham (MCC); John Mantini (MCC); Ellen Moran (MCC); David Nummy (MCC); Kristin Penn (MCC); Patricia Trefry (MCC); Troy Wray (MCC); Steven Feldstein (State); Steven Krasner (State); and Carla Mudgett (State).

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2. **Administrative Resolutions.** The Board approved several administrative resolutions, including the minutes of the February 8, 2006 Board and Audit Committee meetings and an amendment to Article II of the MCC Bylaws to reflect the addition of the Deputy CEO position.
3. **CEO Update.** The MCC CEO updated the Board on MCC operations, including an update on MCC's progress with MCA-eligible and Threshold program-eligible countries, recent legislative activities impacting MCC, and a status report on MCC's development of a natural resources indicator.
4. **Ghana Compact Briefing.** The MCC Ghana transaction team briefed the Board on, and the Board discussed, progress towards the completion of a proposed Compact with Ghana.
5. **Threshold Program.** Following a briefing by the MCC Deputy CEO and Board discussion, the Board approved:
 1. MCC Threshold Program assistance to Ukraine of up to \$44,970,000 for a program to improve Ukraine's performance on the "Control of Corruption" indicator;
 2. MCC Threshold Program assistance to the Philippines of up to \$20,685,000 for a program to improve the Philippines' performance on the "Control of Corruption" and "Fiscal Policy" indicators;
 3. The reservation of up to an additional \$18 million in FY 2005 funds and up to \$175 million in FY 2006 funds for the MCC Threshold Program.
6. **Suspension of The Gambia.** The Board suspended the Government of The Gambia's eligibility for MCA assistance due a deterioration in performance on the indicators used to select MCA-eligible countries and a pattern of policy actions inconsistent with the MCA selection criteria. The third-party institutions that collect the indicator data used in MCC's eligibility criteria have documented evidence of growing human rights abuses, increased restrictions on political rights, civil liberties and press freedom, as well as deteriorating economic policies and anti-corruption efforts.
7. The meeting adjourned at approximately 11:20 a.m.